

*Do NOT ENTER**H.A.C.*REMARKS*Further
consideration
is required*

Claims 1-10 remain pending in the application. Upon entry of the present amendment, claims 1, 2, 5-7 and 10 will be amended. Entry of the present amendment, reconsideration of the rejection and allowance of the pending application in view of the following remarks are respectfully requested.

As an initial matter, Applicants wish to thank the Examiner for the interview he and his supervisor conducted with Applicants' U.S. representative on April 20, 2006. During the interview, Applicants' U.S. representative argued that mean value filtering, as disclosed by the applied Maeda et al. reference (U.S. Patent No. 6,169,282), does not compress image data, as recited in Applicants' independent claims 1, 6 and 7, and referred to an explanatory drawing Applicants had forwarded to the Examiner.

During the interview, the Examiner suggested that Applicants further define the next process determination in the claims. Applicants' U.S. representative noted that a distinction between Maeda and a method disclosed in Applicants' specification is that Applicants' method calculates a difference between a size of compressed digital data and a size of reference data, whereas Maeda's difference extraction circuit calculates a difference between gray levels of images. The Examiner agreed that this appears to be a distinction from Maeda, but indicated that further consideration would be needed.

As another matter, in a telephone conversation on May 16, 2006 between the Examiner and Applicants' U.S. representative, the Examiner confirmed that the Supplementary Amendment filed on February 21, 2006, in which claims 3 and 8 were amended, has been entered. However, if the Supplementary Amendment has not in